DRAFT - Washington HBE
Formulary Proposal and Questions

Need:

The Health Benefits Exchange (HBE) assessed the need to provide issuer formularies on the Exchange, to enhance the consumer's shopping experience, and determined:

- It is not immediately necessary to provide a unified formulary, allowing consumers the ability to "shop by drug" or to search across plans for drugs.

- It would be helpful to allow consumers to view the drugs available in a particular plan.

- Ideally, consumers would be able to view the cost sharing required for a particular drug.

The long term vision is for HBE to provide consumers with the capability to search within each plan for a drug within the Exchange website; a consumer would be able to select a plan and then view or search for drugs within that plan. HBE would also like to provide consumers an associated functionality that would allow them to estimate the typical out of pocket cost of a drug.

The initial Exchange release is not expected to have these capabilities, and so HBE must determine to what extent formularies may be involved in the Exchange release in the fall of 2013.

Options:

HBE seeks feedback from issuers on the following options:

1. For the initial Exchange release in the fall of 2013, the Exchange will not display an issuer's formulary information to consumers.
2. For the initial HBE release in the fall of 2013, the Exchange will provide formulary information for each plan in a way that incurs minimal additional cost to issuers. This would be to make a PDF available with the formulary for each plan.

Background Information:

In order to ensure clarity in communication, HBE sets forth this background information:

A formulary and a drug list are essentially identical. From the consumer's perspective, a formulary is generally understood as a list of drugs. From the industry perspective, a formulary is a categorized list of drugs where a drug is categorized into a Drug Class which is a grouping of common drugs. The formulary and the benefit design for drugs, i.e., the cost sharing, are separate.

Questions:

HBE seeks feedback from issuers on the following questions:

Formulary / Drugs List Definitions and Key Characteristics

1. Our understanding is that each product has one drug list. Is this correct? Furthermore is there just one formulary for each plan? Are there any scenarios where a plan may have more than one formulary?

Reporting of Drug List

2. Is there any place that issuers currently report PDF formularies or drug lists? If so, where? Do issuers report it to HIOS? Also, are there any volunteers who would be able to provide examples of how your formularies are stored (data elements), and discuss this with the HBE technical team as we consider our long term solution?

Cost Structure / Tiers of Drugs

3. How can a user determine what the cost of a particular drug will be? Is cost sharing a percentage or a specific dollar amount? Are the following potential examples of how costs are structured and how much a consumer could pay?
    a. Example of cost structuring for generic drugs: A consumer would pay a total of $5 per 30 day prescription for generics (generic is a tier), and all of the drugs associated to a tier are known so that if a consumer searches for a particular generic drug they will know that they have to pay a total of $5 per 30 day prescription for the generic drugs for this particular plan.
    b. Additional example of cost structuring for generic drugs: A consumer will pay 10% of the amount of a generic drugs (generic is a tier), and all of the drugs associated to a tier are known so that if a consumer searches for a particular generic drug they will know that they have to pay 10% of the amount of the generic drug for this particular plan.

Current Websites

4. How often do formularies change on your consumer website? For example, how often are the PDFs containing formulary information updated for consumers on issuer websites?

5. What are the challenges you face while updating and storing formulary data for your websites?

6. How do you provide the formulary list to the consumer? Do you provide:

    ☐ Search capabilities on your website?
    ☐ Provide consumers with a PDF?
    ☐ Notification to consumers of the drug list during purchase/enrollment?
    ☐ Other? (Please explain.)

7. How often do consumers request formulary information? Is it readily available on the website while purchasing a plan? Do you know how people use drug information to shop for a health plan, and what are the steps taken by a consumer to determine costs? Please provide any associated web metrics available.